NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

BUSINESS PLAN
2011-2012

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MESSAGE FROM THE NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

On behalf of the Nova Scotia Housing Development Corporation, we are pleased to share with you the corporation's 2011-2012 Business Plan. Building on last year's plan, and on the input from our government and community partners, our 2011-2012 plan reflects our priorities for the upcoming year.

In 2009, the federal government and the province announced the Canada Economic Action Plan, a two-year program that saw the province's social housing portfolio benefit from a $128 million funding investment – the largest investment in social housing in Nova Scotia in decades. As of March 31, 2011, all stimulus funds were committed. This investment in affordable housing has created good jobs in communities across the province, strengthened the economy and made accessing safe, affordable housing easier for thousands of Nova Scotian families, seniors, and persons with disabilities. In 2011-2012, we will continue our work to complete the remaining funded housing projects under our various programs.

The corporation is currently in negotiation with the federal government to secure funding through to March 31, 2014, for the Affordable Housing Program (AHP) and the Renovation Rehabilitation Assistance Program (RRAP). These negotiations will be finalized in 2011-2012, enabling the province to move forward with its social housing agenda.

Also in 2011-2012, the corporation, on behalf of the province and through its lending programs, will provide $146 million in financing to support such initiatives as the Department of Health's Long Term Care Bed Renewal Initiative, as well as expansion in the Early Learning and Child Care sector. We will also continue to invest in the Services for Persons with Disabilities sector.

The corporation's 2011-2012 business plan sets out realistic goals over the next year. We look forward to working with our government and community partners to achieve them, and to ensuring that Nova Scotians continue to have access to good, affordable homes for years to come.

Denise Peterson-Rafuse
Minister, Department of Community Services

David Ryan
A/Deputy Minister, Department of Community Services

1.0 MISSION/MANDATE

The Nova Scotia Housing Development Corporation, created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets.

Created by the *Nova Scotia Housing Development Corporation Act*, the corporation's activities include:

- the acquisition and disposal of real estate
- negotiating agreements
- borrowing and investing funds
- lending money and guaranteeing payments
- mortgaging property.

The staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees.

2.0 STRATEGIC GOAL

The goal of the Nova Scotia Housing Development Corporation is to ensure a range of assets and financial tools are available and used effectively to support government's housing objectives.

3.0 CORE BUSINESS AREAS

The corporation's core business functions are to:

- hold and finance provincially owned social housing assets in support of government's housing programs
- secure and manage funding to support social housing
- provide mortgage guarantees and/or loans to qualifying housing projects, nursing homes and day cares
- manage the funded reserves associated with provincial housing programs to protect the province from loss.

4.0 PRIORITIES

The following priorities for 2011-2012 are in addition to the many ongoing activities that Community Services' staff carry out on behalf of the corporation.

Priority: Affordable Housing Investment

In 2009, the Government of Canada and the Province jointly announced a two year investment of approximately $128 million in affordable housing funding initiatives. As of March 31, 2011, all the available funds have been committed. This investment in affordable housing has created jobs, strengthened the economy, improved the Province's housing stock and improved the quality of life for tenants of our social housing units, and Nova Scotians.

During 2011-2012, work will continue on the completion of all the remaining funded housing projects under the current stimulus plan in each of the areas listed below.

The funding involves the following five components:

- **Residential Rehabilitation Assistance Program (RRAP)** - An $18 million investment to help Nova Scotians undertake needed health and safety repairs to their homes or to adapt their homes so that they could continue to live independently.

- **Canada/Nova Scotia Affordable Housing Initiative** - A $13.3 million commitment to create or preserve over 370 affordable housing units across the province.

- **Cooperative and Non Profit Housing** - A $20.6 million investment to upgrade over 1,100 homes involving 30 cooperative or non profit housing organizations. Improvements funded include such things as replacing roofs, windows, doors, exterior stairs and exterior cladding. These improvement ensure the housing will be safe, and more energy efficient and therefore more physically sustainable; and these investments should help to reduce annual operating costs.

- **Public Housing** - Strategic public housing investments of $48.1 million in three areas: energy efficiency initiatives, general building upgrades based on the Capital Asset Management Plan, and aging in place initiatives. Aging in place funded activities include: ramps, generators, automatic door openers, fire alarm improvements, hand rails; and three elevators in senior housing projects – specifically the installation of elevators in Margaree Manor in Inverness, MacCual Villa in Great Village, and Northwood Apartments in the Town of Shelburne.

- **Affordable Rental Housing for Seniors and Individuals with Disabilities** - All available funds ($27.4 million) have been committed to build approximately 196 affordable rental units. As of March 31, 2011 some 62 units have been completed, 107 units are under construction, and 27 units are in the initial design phase. This housing is accessible and age friendly e.g. bathrooms are wheel chair accessible with walk in showers instead of bath tubs, buildings with at-grade entrances, wider doorways, and electrical outlets higher from the floor.

Priority: Negotiation of a New Affordable Housing Agreement

The current Affordable Housing Program (AHP) and Renovation Rehabilitation Assistance Program (RRAP) bi-lateral agreements expire on March 31, 2011.

On October 29, 2010, the Government of Canada initiated a series of discussions through the Federal/Provincial/Territorial Deputy Ministers Housing Forum. The focus of these discussions has been a federally proposed Multilateral Housing Framework and a new, combined bi-lateral housing agreement.

In 2011/12, the Nova Scotia Housing Development Corporation, on behalf of the Province, will finalize negotiations to secure funding to support the province's social housing agenda.

Priority: Funding Support for Government's Public Policy Agenda

The corporation, on behalf of the Province, works to ensure that there are a range of capital financing tools to support government's public policy agenda.

In 2011-2012, the corporation will provide a total of $146 million in financing to support:
- the Department of Health and Wellness' Long Term Care Bed Renewal initiative
- infrastructure renewal/expansion in the Early Learning & Child Care sector
- capital investments in the Services for Persons with Disabilities sector.

The corporation will also continue to foster and pursue partnering opportunities with other departments and government agencies.

5.0 Performance Measure

The corporation provides financing assistance to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. This is particularly important to Community Services and the Department of Health and Wellness, since publically subsidized per diem rates include financing costs.

6.0 Budget

The following two tables provide information on the corporation's funding and expenditures.
($ thousands)

Nova Scotia Housing Development Corporation Funding			
Funding Source	**2010-11 Estimate**	**2010-11 Forecast**	**2011-12 Estimate**
Revenue from Government Sources	144,914	146,105	130,430
Revenue from Rents	53,151	53,333	52,787
Interest, Revenue from Land Sales and Other Revenue	22,710	20,795	28,962
Total Funding	220,775	220,233	212,179

Nova Scotia Housing Development Corporation Expenditures			
Expenditure Source	**2010-11 Estimate**	**2010-11 Forecast**	**2011-12 Estimate**
Interest on Long Term Debt	43,363	41,693	48,625
Property Management and Operation	31,496	50,615	52,829
Maintenance and Capital Improvements	30,165	27,348	28,615
Housing Renovation and Affordable Housing	15,705	17,535	18,160
Transfer to Housing Services	32,500	16,217	24,514
Amortization of Investment in Social Housing	14,000	14,725	15,238
NS Housing Stimulus Plan *	47,546	46,034	18,298
Administration Fee and Cost of Land Sold	6,000	6,066	5,900
Total Expenditures	220,775	220,233	212,179

Core Business Area: Provide mortgage guarantees and/or loans to qualifying housing projects				
Outcome	**Measure**	**Data**	**Target 2011-12**	**Strategic Action**
Strong public and social housing infrastructure supported by options in managing capital financing for government sponsored housing.	The amount of financing provided to housing projects	2010-2011: $210M (estimate) 2009-2010: $192M[1] 2008-2009: $59M 2007-2008: 9 projects at a total borrowing of $67M 2006-2007: 2 projects at a total borrowing of $9 million 2005-2006 (BY): 10 projects at a total borrowing of $12.87 million	$152 M	In 2011/12, the Nova Scotia Housing Development Corporation will continue to provide financing to new and existing projects, which include: - construction of new long-term care beds; - renovation of existing social housing projects; - construction of new child care facilities; and - construction and renovation of facilities that provide services to persons with disabilities. The Nova Scotia Housing Development also provides financing to qualified homeowners to purchase modest housing and to renovate or improve the energy efficiency to existing, eligible housing.
	The amount invested/committed through the Housing Stimulus Initiative	2010-2011: $57.52M 2009-2010: $ 38.6 M	NA[2]	In 2011/12, the Nova Scotia Housing Development Corporation, on behalf of the Province, will finalize negotiations to secure funding through to March 31, 2014 to support the province's social housing agenda.

[1]Previous data was based on the 2009-2010 forecast, this now reflects the actual.

[2]As of March 31, 2011, 100% of the Housing Stimulus funds has been committed.